

INFORMATION REPORT

189949

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COUNTRY

Germany (Russian Zone)

DATE DISTR. 29 April 1948

SUBJECT

Black Market Activities of Yugoslav
and Polish Military Missions

NO. OF PAGES 2

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NO. OF ENCLS.
(LISTED BELOW)

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SUPPLEMENT TO
REPORT NO.

1. Since the establishment of the Yugoslav and Polish Military Missions, it has been their function to buy up special industrial goods, particularly old army supplies, from the Germans. Recently, increasing amounts of goods produced by western-zone industries were purchased; the Russians exhibited unusual interest in such items. Money with which to buy the articles was furnished by the Russians from an SMA finance office in Berlin-Weissensee, and the Russian transportation chief assumed responsibility for their shipment. Loading stations varied, although of late the Berlin-Reinersdorf freight station was used most frequently. After loading, the goods passed, to all practical purposes, into the possession of the Russians.
2. Nearly all members of both military missions used the privileges furnished by the Russian transportation chief for the furtherance of their private large-scale black market deals. In addition, the Yugoslav mission made a few purchases which were concealed from the Russians and served only Yugoslav interests. These activities led to the withholding of Russian funds by the SMA in February. The military missions were forced to abandon the black market organizations which they themselves had developed and to endure a press campaign conducted by the SMA against Yugoslav, Bulgarian, and Polish black market centers. The SMA felt that it had to make this move because the large number of private transactions made by members of the missions had drawn attention to activities which should have remained completely unpublicized; since Russian MPs guarded the storehouses used by the Yugoslav, Polish, and Bulgarian military missions until the day on which the raids occurred, it is hardly likely that the Russians were previously unaware of these private black market deals. Events of the past few days indicate that the Yugoslav mission has already resumed the role of purchasing agent originally assigned it by the Russians.

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DDA Memo, 4 Apr 77

Auth: DDA RDP82-00457R001500080006-5

Date: 7/4/78

By: 023

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3. The chief purchasing agent of the Yugoslav and Polish Military Missions in Berlin is the Firma Strunk, which received a shipment of ball bearings and spare parts for machines and lathes from Frankfurt am Main on 27 March 1948. The shipment was valued at RM 6,000,000 at double the regular list price; payment will not be made in radio equipment, although this is the procedure usually followed by the Firma Strunk. As yet it is not known whether the goods were obtained for the Yugoslav or for the Polish mission.

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